

OCTOBER 13, 2008

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON OCTOBER 13, 2008, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, LEGAL, AUDITING, FEE WAIVER, AND TRUST ACCOUNTING BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 6:00 P.M. ON OCTOBER 13, 2008.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 4; SURFACE ACTIONS AS LISTED ON PAGES 5 TO 14; DEVELOPMENT ACTIONS AS LISTED ON PAGES 14 TO 22; LEGAL ACTIONS AS LISTED ON PAGE 22; AUDITING ACTIONS AS LISTED ON PAGE 23; ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 23; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGES 23 TO 24.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 6:00 P.M. ON MONDAY, OCTOBER 27, 2008. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.



KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION



LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

MINERAL ACTIONS

MATERIAL PERMIT SAND AND GRAVEL APPLICATION NO. 405 REBID (REJECTION) **MATERIAL PERMIT SAND AND GRAVEL APPLICATION NO. 410 REBID (APPROVAL)**

MP 405:

APPLICANT:

A & D Hacking, Inc.
836 South 1500 East
P.O. Box 1670
Vernal, UT 84078

MP 410:

APPLICANT:

K W Crushing, Inc.
P.O. Box 1021
Vernal, UT 84078

AFFECTED LANDS:

T5S, R22E, SLB&M.
Section 36: N½NW¼, SW¼NW¼

COUNTY: Uintah

ACRES: 120.0±

FUND: SCH

RELEVANT FACTUAL BACKGROUND:

The subject lands were offered for competitive bid in mid 2008. Both of the above-referenced applicants submitted sealed bids for the permit. Upon recommendation of Mr. Tom Faddies, the Director rejected both of the bids submitted by these applicants because of the lack of commitment to pay in advance for materials proposed to be mined. The permit was offered for rebid and both applicants submitted bids which are summarized as follows:

MP 405:

Applicant offered a bonus bid in the amount of \$10,000, a royalty rate of \$0.65 per cubic yard of material extracted, and agreed to mine, and pay in advance for, 15,000 cubic yards of material per year for each year of the proposed five (5) year permit term.

MP 410:

Applicant offered a bonus bid in the amount of \$17,000, a royalty rate of \$0.70 per cubic yard of material extracted, and agreed to mine, and pay in advance for, 51,428 cubic yards of material for each year of the proposed five (5) year permit term.

EVALUATION OF FACTS:

Evaluation of the two above-referenced bids indicates that the bid offer for MP 410, received through the rebid process, clearly provides for the highest rate of revenue for the five-year permit term.

Upon recommendation of Mr. Tom Faddies, the Director rejected the application and bid submitted for MP 405 and accepted the application and bid submitted for MP 410.

MATERIALS PERMIT SAND AND GRAVEL NO. 430 OVER-THE-COUNTER (APPROVAL)**APPLICANT:**

Lyle Wiseman
 P.O. Box 476
 685 East 2900 South
 Milford, UT 84751

AFFECTED LANDS:

Township 28 South, Range 10 West, SLB&M.
 Section 6: Lot 3 [NE $\frac{1}{4}$ NW $\frac{1}{4}$]

COUNTY: Beaver

ACRES: 41.38 \pm

FUND: SCH

The subject lands are the historic site of sand and gravel mining and have been predesignated by the Director for over-the-counter sand and gravel sales. Royalty rate for this permit is set at \$0.60 per banked cubic yard.

Upon recommendation of Mr. Tom Faddies, the Director approved the issuance of MP 430 for a term of one year.

APPROVAL OF MINERAL MATERIALS PERMIT (SCH)

The following application was received for a Mineral Materials Permit to harvest sandstone building stone surface boulders from trust lands. The lands lie within the Bloomington Block and are under a Management Alert by the Development Group. The Development Group was advised of the application and is agreeable with the proposed action. The lands have been checked by the Minerals Group and are open and available for the issuance of the permit. The applicant has submitted the required application fee of \$100, plus one-year annual rental along with the application. The applicant was advised that the required royalty rate for the permit will be 10% of the Gross Value of the materials that are actually removed from the lands, but not less than \$20 per ton. The primary term of the permit shall be one year. The permit should contain a special stipulation: *Stone may be harvested only from the top of the bluff that occupies the permit area. No stone may be harvested from the bottom of the bluff in the Southeast corner of the permit area. Said stone may only be harvested by gathering loose sandstone boulders lying upon the surface of the lands. No excavations of any kind are permitted upon the surface of the lands within the permit.*

ML 51499-MP
 Chamberlain Stone
 C/O Kent Chamberlain
 942 So. 960 E.
 St. George, UT 84790

T43S, R16W, SLB&M.
 SEC. 11: SE $\frac{1}{4}$ NW $\frac{1}{4}$

Washington
 40.00 acres

Commodity: Sandstone Surface Boulders.
 Royalty: 10% Gross Value, but not less than \$20 per ton.
 Primary Term: One Year

Upon recommendation of Mr. Blake, the Director approved the application as described above.

AMENDMENT – CLIFFS SYNFUEL CORP. AMENDED TO OSEC SKYLINE PROPERTY CORP. – ML 47425, ML 48163, ML 49104, ML 49105, AND ML 49106 (ALL SCH) – OIL SHALE

This office is in receipt of documentation effective June 4, 2008, wherein the name of Cliffs Synfuel Corp. was amended to OSEC Skyline Property Corp., C/O Daniel G. Elcan, 3601 Spring Hill Business Park, Suite 201, Mobile, AL 36608, covering the above-numbered leases. A \$15.00 per lease change of name fee has been paid.

This item was submitted by Mr. Blake for record-keeping purposes only.

TOTAL ASSIGNMENT – METALLIFEROUS MINERALS LEASE

Upon recommendation of Mr. Stokes, the Director approved the assignment of lease listed below to Trigon Exploration Utah, Inc., 1600 Jackson Street, Suite 160, Golden, CO 80401, by Future Energy LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

FUTURE ENERGY LLC – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

TRIGON EXPLORATION UTAH, INC. - 100%

...ML 51050 (SCH)....

MERGER OF BREK PETROLEUM INC. WITH AND INTO GASCO PRODUCTION COMPANY - ML 13214, ML 13215-A, ML 26968, ML 45171, ML 45172, ML 45175, ML 46300, ML 46301, ML 46302, ML 46428, ML 46429, ML 46719, ML 46910, ML 47049, ML 47050, ML 47051, ML 47056, ML 47057, ML 47066, ML 47067, ML 47069, ML 47070, ML 47071, ML 47072, ML 47073, ML 47074, ML 47164, ML 47824, ML 48266, ML 48650, AND ML 48928 (ALL SCH) – OIL, GAS, AND HYDROCARBON

This office is in receipt of documentation effective July 28, 2008, wherein Brek Petroleum Inc. merged with and into Gasco Production Company, 8 Inverness Drive East, Suite 100, Englewood, CO 80112-5625, covering the above-numbered leases.

This item was submitted by Ms. Garrison for record-keeping purposes only.

AMENDMENT OF OIL, GAS, AND HYDROCARBON LEASE - ML 47966 (SCH)

Through inventory of our lands, it has been found that the acreage in the above-numbered lease was in error. The lease was issued as follows (affected acreage is bolded and italicized):

<u>T34S, R25E, SLB&M.</u>	<u>2051.96 ACRES</u>
SEC. 2: ALL	640.00 ACRES
SEC. 16: ALL	640.00 ACRES
SEC. 20: E½E½	<i>120.00 ACRES</i>
SEC. 32: ALL	640.00 ACRES

CORRECTED LEGAL DESCRIPTION:

<u>T34S, R25E, SLB&M.</u>	<u>2091.86 ACRES</u>
SEC. 2: ALL	640.00 ACRES
SEC. 16: ALL	640.00 ACRES
SEC. 20: E½E½	<i>160.00 ACRES</i>
SEC. 32: ALL	640.00 ACRES

The parties have agreed that there will be no retroactive refunds or charges to lessee for incorrect descriptions resulting in overpayment or underpayment of rentals. However, any changes to delay rental amounts will be effective immediately and corrected amounts will be due commencing on the next ensuing anniversary date of the lease following the effective date of this amendment and will continue at that rate so long as the lease remains valid and in full force and effect unless the Record Title Lessee is notified otherwise by TLA.

The lease and all other of its terms and conditions remain in full force and effect and are ratified hereby. To the extent necessary to effectuate the intent of the parties stated herein, this amendment shall be deemed to contain present words of grant.

This amendment has been agreed to and executed by the current lessees of record, ***Crownquest Operating LLC***, P.O. Box 2221 Farmington, NM 87490; ***Crownrock, LP***, P.O. Box 52507, Midland, TX 79710; ***Lynden USA***, 201 South Main Street, Suite 1800, Salt Lake City, UT 84111; and ***Enerquest Oil & Gas Ltd.***, P.O. Box 52287, Midland, TX 79710.

Upon recommendation of Ms. Garrison, the Director approved the above amendment as listed.

S U R F A C E A C T I O N S

GRAZING PERMITS

GRAZING PERMIT NO. 23293 (APPROVAL)

Shane Gardner
Gail Gardner
Route #1 Box 1346
Roosevelt, UT 84066

597.0 Acres 54 AUMs School Fund Uintah County

First Year's Rental: \$210.60
Application Fee: \$50.00

T8S, R20E, SLB&M
Section 16: All

The term of this permit begins July 1, 2008, and expires June 30, 2023. The season of use is November 1 through April 1. Type of livestock is cattle.

Upon recommendation of Mr. Scott Chamberlain, the Director approved Grazing Permit No. 23293.

GRAZING PERMIT NO. 21611-01 (REINSTATEMENT)

Salina Land & Grazing Co., c/o Kendall Quarnberg, P.O. Box 189, Aurora, UT 84620, has requested reinstatement of GP 21611-01, which was canceled for non-payment on August 15, 2008. The permittee has submitted the grazing rental of \$197.60, the weed fee of \$5.20, the reinstatement fee of \$30.00, and the \$30.00 late fee, totaling \$262.80. Sevier County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the reinstatement of GP 21611-01.

GRAZING PERMIT NO. 22723 (REINSTATEMENT)

Craig Jones, 128 South 100 West, Cedar City, UT 84720, has requested reinstatement of GP 22723, which was canceled for non-payment on August 15, 2008. The permittee has submitted the grazing rental of \$391.40, the weed fee of \$10.30, the reinstatement fee of \$30.00, and the \$30.00 late fee, totaling \$461.70. Iron County. School Fund.

Upon recommendation of Ms. Paula Lane, the Director approved the reinstatement of GP 22723.

GRAZING PERMIT NO. 23230 (ASSIGNMENT)

Jay M. Steigleman, 1700 San Juan Blvd., Farmington, NM 87401, has requested the Trust Lands Administration's permission to assign 100% interest in the above referenced grazing permit to Zane Odell, 19727 Road U, Cortez, CO 81321. The assignment fee in the amount of \$594.00 has been submitted. San Juan County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the assignment of GP 23230.

GRAZING PERMIT NO. 37-08 (CORRECTION OF MINUTES DATED SEPTEMBER 29, 2008)

The Director's Minutes of September 29, 2008, incorrectly listed the above grazing permit's new acreage as 2,349.75. The correct acreage should be **2,370.82**. This should be noted on all records. Cache County. School Fund.

Upon recommendation of Ms. Paula Lane, the Director approved the correction to the Director's Minutes of September 29, 2008.

GRAZING PERMIT NO. 22275-08 (CORRECTION OF MINUTES DATED SEPTEMBER 29, 2008)

The Director's Minutes of September 29, 2008, incorrectly listed the following legal description for GP 22275-08:

T36S, R5W, SLB&M

Sec. 2: SE $\frac{1}{4}$, Lot 2, SE $\frac{1}{4}$ NE $\frac{1}{4}$

The correct legal description should be:

T36S, R5W, SLB&M

Sec. 2: SE $\frac{1}{4}$, **Lot 1**, SE $\frac{1}{4}$ NE $\frac{1}{4}$

This should be noted on all records. Garfield County. School Fund.

Upon recommendation of Ms. Paula Lane, the Director approved the correction to the Director's Minutes of September 29, 2008.

RIGHTS OF ENTRY**RIGHT OF ENTRY NO. 4998 (APPROVAL)**

TME Asphalt Ridge LLC, 4526 Ridgeview Drive, Eagan, Minnesota, 55123, has submitted an application to occupy the following described tract of trust lands located in Uintah County for the purpose of constructing a 13-inch or less water pipeline:

Township 5 South, Range 22 East, SLB&M

Section 31: Lot 4 (within)

Township 6 South, Range 22 East, SLB&M

Section 6: Lots 4, 5, 6, 7, SE $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

Section 7: Lot 3, NE $\frac{1}{4}$ NW $\frac{1}{4}$

RIGHT OF ENTRY NO. 4998 (APPROVAL) (CONTINUED)

A 25 foot wide strip of land, being 12.5 feet on each side of the following described centerline:

Beginning at a point South 43°34'03" East 3070.57 feet from the Northwest corner of said Section 7, Township 6 South, Range 22 East, SLB&M; thence North 44°52'46" West 310.24 feet; thence North 52°40'23" West 99.60 feet; thence North 78°04'36" West 141.46 feet; thence North 15°01'52" West 592.12 feet; thence North 30°26'31" East 138.92 feet; thence North 10°26'19" West 171.14 feet; thence North 2°59'26" West 244.27 feet; thence North 18°28'22" West 282.58 feet; thence North 52°29'21" West 161.08 feet; thence North 7°28'11" East 260.01 feet; thence North 33°11'23" East 222.61 feet to the North line of said Section 7; thence North 33°11'23" East 66.94 feet; thence North 4°10'12" East 141.57 feet; thence North 4°05'41" West 220.62 feet; thence North 39°28'54" West 174.08 feet; thence North 34°59'09" West 1062.11 feet; thence North 8°03'40" West 342.52 feet; thence North 13°04'58" West 168.39 feet; thence North 43°51'04" West 275.35 feet; thence North 21°14'11" West 101.22 feet; thence North 2°29'04" East 232.57 feet; thence North 25°17'54" East 190.43 feet; thence North 41°46'42" West 159.23 feet; thence North 11°07'24" West 211.84 feet; thence North 13°28'05" East 195.65 feet; thence North 26°08'50" West 150.33 feet; thence North 09°58'23" East 237.23 feet; thence North 6°21'23" West 205.20 feet; thence North 32°14'53" West 247.57 feet; thence North 13°09'18" West 343.40 feet to the North line of Section 6, Township 6 South, Range 22 East, SLB&M; thence North 13°09'18" West 280.50 feet; thence North 40°32'07" West 109.90 feet; thence North 00°15'29" West 264.28 feet; thence North 18°53'53" West 345.56 feet; thence North 15°26'49" West 173.38 feet; thence North 8°07'10" West 190.98 feet to a point on the North line of Lot 4 of Section 31, Township 5 South, Range 22 East, SLB&M, North 5°05'37" West 1454.14 feet and South 8°07'16" East 144.86 feet from the Northwest corner of said Section 6. Basis of bearings is the township line between the Southwest corner of said Section 31 and the Northwest corner of said Section 6 which is assumed to bear North 89°45' East. Contains 5.00 acres more or less.

The proposed permitted area was previously utilized by Sohio Petroleum Company for a water pipeline under Right of Way No. 1461. This right of way has been abandoned by Sohio Petroleum Company and canceled for non-payment by the Trust Lands Administration. The applicant desires to utilize and/or upgrade the abandoned infrastructure within the previously permitted corridor. This infrastructure will be used by the applicant as they work to develop an oil extraction process at various leased locations along Asphalt Ridge.

The applicant has also submitted an application to obtain an easement for this water pipeline (Easement No. 1245). This right of entry permit will allow the applicant to access the lands and begin working on the pipeline until the easement is finalized.

Since all work will be contained within the area previously permitted under Right of Way No. 1461, and there will be no new ground disturbance associated with this permit, the proposal was exempt from review by the Resource Development Coordinating Committee ("RDCC"). It has also been determined that no new cultural resource survey will be required, provided that the applicant remains within this previously permitted corridor.

The term of this right of entry is one year, beginning October 1, 2008, and expiring September 30, 2009, or until Easement No. 1245 is executed, whichever comes first.

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. Uintah County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved Right of Entry No. 4998.

RIGHT OF ENTRY NO. 5198 (APPROVAL)

The Trust Lands Administration has received a right of entry application from Magnum Holdings, LLC, 2150 S. 1300 E., Ste 500, Salt Lake City, UT 84106, to occupy the following described trust land located in Millard County to conduct a 3-D seismic survey:

Township 15 South, Range 7 West, SLB&M

Section 16: E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 21: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 22: Lots 3, 5, 7, 8, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 23: Lots 2, 4, 7, 8, SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 24: Lots 3, 4, 6, 8, SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 25: N $\frac{1}{2}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

Section 26: All

County: Millard

Acres: 2,171.00

FUND: School

The applicant has submitted a request to conduct a 3-D seismic survey (Magnum Delta 3D Project) in Millard County. The project will involve approximately 20.928 linear miles of source points of Trust Lands Administration property and 18.497 linear miles of source points of private property. The project will consist of vibroseis trucks only, no shot points.

As ground disturbance will occur with this right of entry, the Resource Development Coordinating Committee ("RDCC"), the Six County Association of Governments, and Millard County were notified on August 5, 2008. No comments were received from any group.

A cultural resource survey has been completed by EarthTouch, Inc., (U-08-EP-0898s) with seven new cultural resource sites recorded in the area of potential effects. Six sites have been flagged and will be avoided. There is also a historic canal (42 Md 3308) located through the project area. The State Historic Preservation Office ("SHPO") has 30 days to review and comment on this site. The applicant will be allowed to enter the project area, but will not be able to drive buggy rigs across the historic canal site until approval is received from SHPO. The survey has been reviewed by Trust Lands Administration's archaeological staff, who concurs with the finding of "No Adverse Affect" involving this project.

The term of the right of entry is one year, beginning October 13, 2008, and expiring October 12, 2009. The applicant has paid a use fee of \$8,400.00, as well as a \$50.00 application fee and a \$50.00 processing fee, totaling \$8,500.00.

Upon recommendation of Mr. Kurt Higgins, the Director approved Right of Entry No. 5198.

RIGHT OF ENTRY NO. 5242 (APPROVAL)

The School and Institutional Trust Lands Administration has received a right of entry application from Aspen Achievement Academy, 98 South Main, Loa, UT 84747, to occupy the following described trust land located within Wayne and Garfield Counties for therapeutic wilderness program camping:

T27S, R8E, SLB&M

Section 32

T29S, R7E, SLB&M

Section 36

T30S, R9E, SLB&M

Section 16

The fee for this right of entry is \$4,293.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$4,393.00. School Fund. Wayne and Garfield Counties. Beginning Date: September 1, 2008. Expiration Date: May 31, 2009.

Upon recommendation of Mr. Lou Brown, the Director approved Right of Entry No. 5242.

RIGHT OF ENTRY NO. 5247

On September 29, 2008, Ms. Jeanine Kleinke, Trust Lands Technician, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of the Chile Pepper Bike Shop, 702 South Main Street, Moab, UT 84532, to occupy the following described trust land located within Grand County to conduct a bicycle race:

T25S, R23E, SLB&M

Sec. 32: Within

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. The permittee shall also pay to the Trust Lands Administration the sum of 3% of gross receipts, based on number of clients, number of client days, and percentage of time spent on trust land, or \$4.00/participant, whichever is greater, within 30 days of permit expiration date. Grand County. School Fund. Beginning date: October 24, 2008. Expiration date: October 26, 2008.

This item was submitted by Ms. Jeanine Kleinke for record-keeping purposes.

RIGHT OF ENTRY NO. 5248 (APPROVAL)

On September 22, 2008, the School and Institutional Trust Lands Administration received an application from Naropa University, Wilderness Therapy, c/o Amy Winchester, 2130 Arapahoe Avenue, Boulder, CO 80302, to occupy the following described trust land located within San Juan County to conduct wilderness therapy activities for a one-year term:

T36S, R17E, SLB&M

Sec. 32: Within

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. San Juan County. School Fund. Beginning date: September 1, 2008. Expiration date: August 31, 2009.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5248 for a one-year term.

RIGHT OF ENTRY NO. 5249

On August 5, 2008, Ms. Jeanine Kleinke, Trust Lands Technician, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of the Castle Valley Pageant, c/o Mark Justice, P.O. Box 1160, Huntington, UT 84528, to occupy the following described trust land located within Emery County for overflow parking of vehicles during the annual Castle Valley Pageant:

T17S, R7E, SLB&M

Sec. 36: Within

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. Emery County. School Fund. Expiration date: August 31, 2008.

This item was submitted by Ms. Jeanine Kleinke for record-keeping purposes.

RIGHT OF ENTRY NO. 5250

On September 23, 2008, Ms. Jeanine Kleinke, Trust Lands Technician, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of the Alport Syndrome Foundation, c/o Vint DeGraw, 474 East 740 North, Tooele, UT 84074, to occupy the following described trust land located within San Juan County to conduct a "Kidney Canter" (5K run and a 5K walk):

T27S, R22E, SLB&M

Sec. 1: Within

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. San Juan County. School Fund. Expiration date: October 25, 2008.

This item was submitted by Ms. Jeanine Kleinke for record-keeping purposes.

EASEMENTS**EASEMENT NO. 1301 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202

LEGAL DESCRIPTION:

Township 11 South, Range 23 East, SLB&M
Section 36: NW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

A 55 foot wide corridor located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 36, T11S, R23E, SLB&M, the limits of said corridor being 15 feet on the left side and 40 feet on the right side of the following described survey line:

EASEMENT NO. 1301 (APPROVAL) (CONTINUED)

Beginning at a point on the west line of the SW¼ of Section 36, T11S, R23E, SLB&M, which bears S 00°03'38" E 810.97 feet from the west ¼ corner of said Section 36, thence N 29°36'11" E 102.56 feet; thence N 33°03'24" E 272.98 feet; thence N 34°17'13" E 169.86 feet; thence N 47°47'56" E 337.80 feet to a point in the NW¼SW¼ of said Section 36 which bears S 77°02'20" E 560.63 feet from the said west ¼ corner. The side lines of said corridor to be shortened or lengthened to terminate at the west line of the SW¼ and the centerline of the existing road. Basis of bearings is the west line of the SW¼ of Section 36, T11S, R23E, SLB&M, which is taken from global positioning satellite observations to bear N 00°03'38" W. Contains 1.12 acres more or less.

COUNTY: Uintah

ACRES: 1.12

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a 6-inch or less diameter surface natural gas pipeline and an existing access road. The proposed access road and pipeline will service the Hanging Rock 11-23-44-35 Well located on adjacent federal lands to the west. The proposed pipeline will tie into an existing pipeline on trust lands and then run southwesterly along the existing access road to the proposed well site. The proposed easement corridor is 883.20 feet long and 55 feet wide, containing 1.12 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on August 2, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality, the Utah Geological Survey, and the Uintah County Commission as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah, 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

EASEMENT NO. 1301 (APPROVAL) (CONTINUED)**Uintah County Commission:**

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance of a 6-inch or less diameter surface natural gas pipeline and an existing access road by Enduring Resources, LLC. The proposed pipeline is located in T11S R23E, Section 36: NW¼SW¼ (within). The proposed pipeline and access road would service the Hanging Rock 11-23-44-35 Well located on adjacent federal lands to the west. The proposed pipeline would tie into an existing pipeline on trust lands and then run southwesterly along an existing road to the well site. The proposed easement corridor is 883.20 feet long and 55 feet wide, containing 1.20 acres.

"It is our understanding that the above pipeline will be placed outside of Uintah County's road right-of-way. We support this action, keeping ground disturbance during construction caused by excavation and installation of pipeline, increase in traffic, equipment, dust, and noise emissions at a minimum.

"We would ask that Enduring Resources please contact the Uintah County Building, Planning and Zoning Department for the necessary County permits. If crossing of a County road is necessary, please contact the Uintah County Road Department.

"We have no further comment at this time, but reserve the right to comment at a later date if warranted."

The applicant has been notified of the comments provided by RDCC. The comments submitted by the Department of Environmental Quality/Division of Air Quality are addressed within Paragraph 13 of the easement agreement.

Pursuant to the comments received from the Utah Geological Survey, a paleontological survey of the proposed project area has been conducted by Intermountain Paleo-Consulting (Report No. 07-141). No signs of vertebrate fossils were found within the project area, therefore it was recommended that no paleontological restrictions be placed on the development of the project. If significant fossils are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The proposed project area has been surveyed for cultural resources by Montgomery Archaeological Consultants (U-07-MQ-0858b). No sites were found within the project area, therefore no avoidance or mitigation measures were recommended. The Trust Lands Administration's staff archaeologist has reviewed the project and has granted cultural resource clearance with a finding of "No Historic Properties Affected."

There may be undiscovered gilsonite veins located within the vicinity of the easement corridor. If any gilsonite veins are discovered during construction, the discovery should be reported immediately to the Trust Lands Administration. The applicant has been notified of this stipulation.

In order to protect the potential of future oil shale extraction from the lands underlying the easement corridor, a relocation clause will be included in the easement agreement.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

EASEMENT NO. 1301 (APPROVAL) (CONTINUED)

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1301 for a term of 30 years beginning October 1, 2008, and expiring September 30, 2038, with the easement fee being \$963.49 plus the \$750.00 application fee. Pursuant to R850-40-1800, an administrative fee will be assessed every three years throughout the term of the easement with the first payment being due January 1, 2011.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 1258 (THREE-YEAR REVIEW)**

SULA 1258 is a telecommunications lease issued to South Central Utah Telephone Association, P.O. Box 555, Escalante, UT, 84726-0226. The lease site is located in Washington County. School Fund.

1. **ANNUAL BASE RENTAL:**

The three-year review date for this telecommunication lease is November 1, 2008. The subject property is used for a PCS - Cellular telephone tower site. The lease agreement provides for periodic increases in the annual base rental amount. Pursuant to an evaluation to determine current market value using comparable lease rentals, as provided for in the lease agreement, it is recommended that the annual base rental be increased from \$5,840.00 per year to \$6,700.00 per year, effective November 1, 2008. A certified notice was previously sent informing the Lessee of this action. The lessee called and wanted to briefly discuss the review and did not indicate it planned further discussion.

Subleasing: It should also be noted that subleasing fees are additional as per terms of the lease agreement and not part of the above-referenced annual base rental increase. Sublease No. 1, to Ubiquitel, was increased from \$2,920.00 to \$3,350.00, and sublease No. 2, to AT&T Wireless, was also increased from \$2,920.00 to \$3,350.00, both paid annually by the lessor.

Preliminary Estimate of Land Value: \$5,200.00 (Based on \$20,000.00 per acre)

New Annual Base Rental Amount with Sublease: \$13,400.00

Acres in Lease: 0.26

Rental Amount / Acre with Sublease: \$51,538.00

The existing communication lease site is considered the highest and best use of a small parcel of this type of land. The difference in the fair market value of the subject parcel and the surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant.

2. **DUE DILIGENCE AND PROPER USE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.

3. **ADEQUATE INSURANCE AND BOND COVERAGE:**

There has previously been insurance coverage for the lease agreement, but it needs to be updated. Staff is contacting the lessee for updated insurance coverage. No bond has been previously required because it is such a small site and there didn't appear to be any perceived risk, but the Agency now wants a bond on each site for future risk management purposes. Staff is contacting the lessee to provide a bond, which bond should be in place in the very near future.

SPECIAL USE LEASE AGREEMENT NO. 1258 (THREE-YEAR REVIEW) (CONTINUED)**4. ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease.

5. POLLUTION AND SANITATION REGULATIONS:

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

6. NEXT REVIEW DATE:

The next three-year review date will be November 1, 2011.

Upon recommendation of Mr. Bagley, the Director approved the three-year review for SULA 1258.

DEVELOPMENT ACTIONS

DEVELOPMENT SUBDIVISION SALES

THE FOLLOWING SALES HAVE BEEN EXECUTED AND PATENTS ISSUED FOR:

SUBD 9.0 Rock Ridge Subdivision of the Coral Canyon Community.

These transactions have been executed pursuant to Development Lease DEVL 610.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 4, Township 42.0 S, Range 14.0 W, SLBM

PURCHASER:

GOLDEN HERITAGE HOMES, INC.
2303 N. CORAL CANYON BLVD., SUITE 200
ST. GEORGE, UT 84780

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 17	26372-9-17	10/01/08	19929-9-17	06/23/06	\$9,502.50	\$20.00	0.10	MH	4
Lot 21	26372-9-21	09/29/08	19929-9-21	06/23/06	\$9,660.00	\$20.00	0.10	MH	4

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

DEVELOPMENT SUBDIVISION SALES (SUBD 9.0 ROCK RIDGE SUBDIVISION OF THE CORAL CANYON COMMUNITY) (CONTINUED)

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute; also,

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Andrea L. James.

DEVELOPMENT SUBDIVISION SALES

THE FOLLOWING SALES HAVE BEEN EXECUTED AND PATENTS ISSUED FOR:

SUBD 10.0 Highland Park Phase 1 Subdivision.

These transactions have been executed pursuant to Development Lease DEVL 610.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 18, Township 42.0 S, Range 14.0 W, SLBM

Section 7, Township 42.0 S, Range 14.0 W, SLBM

PURCHASER:

GOLDEN HERITAGE HOMES, INC.

2303 N. CORAL CANYON BLVD. SUITE 200

ST. GEORGE, UT 84780

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 211	26377-10-211	09/26/08	19928-10-211	07/07/06	\$11,040.00	\$20.00	0.21	SCH	7
Lot 238	26377-10-238	09/29/08	19928-10-238	07/07/06	\$19,776.86	\$20.00	0.23	SCH	7

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute; also,

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Andrea L. James.

DEVELOPMENT SUBDIVISION SALE

THE FOLLOWING SALE HAS BEEN EXECUTED AND A PATENT ISSUED FOR:

SUBD 12.0 Estates at Hidden Valley Phase 1.

This transaction has been executed pursuant to Development Lease DEVL 754.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 18, Township 43.0 S, Range 15.0 W, SLBM

PURCHASER:

IVORY SOUTHERN, LLC
3143 SOUTH 840 EAST
ST. GEORGE, UT 84790

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 51	26417-12-51	09/29/08	19989-12-51	01/31/07	\$33,645.00	\$100.00	0.14	SCH	18

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute; also,

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Andrea L. James.

DEVELOPMENT SUBDIVISION SALE

THE FOLLOWING SALES HAVE BEEN EXECUTED AND PATENTS ISSUED FOR:

SUBD 14.0 Casitas at Hidden Valley Amended and Extended.

These transactions have been executed pursuant to Development Lease DEVL 754.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 7, Township 43.0 S, Range 15.0 W, SLBM

Section 18, Township 43.0 S, Range 15.0 W, SLBM

PURCHASER:

IVORY SOUTHERN, LLC

3143 SOUTH 840 EAST

ST. GEORGE, UT 84790

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Unit 108	26419-14-108	09/24/08	19990-14-108	01/31/07	\$11,368.98	\$100.00	0.03	SCH	18
Unit 38	26419-14-38	10/01/08	19990-14-38	01/31/07	\$17,589.00	\$100.00	0.03	SCH	18

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute; also,

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Andrea L. James.

AMENDMENT OF CERTIFICATE OF SALE (PS 8013)

CERTIFICATE OF SALE NO. 25683 HAS BEEN AMENDED AS FOLLOWS:

CERTIFICATE OF SALE NO.:	25683
PATENT NO.:	TLA-Financed
PROJECT:	Shelter Cove Residential Subdivision in Big Water, UT
PROJECT MANAGER:	Brent Bluth
PROJECT CODE:	BGWAT 02 003
FUND:	School
CERTIFICATE/SALE DATE:	September 30, 2005
AMENDMENT DATE	October 3, 2008
SALE PRICE:	\$58,000.00

BUYER(S):

KYRA HAYCOCK
307 Painted Hills Drive
Ivins, UT 84738

FINANCIAL INFORMATION:

The Trust Lands Administration has financed an unpaid balance of \$43,500. This balance has been amortized annually over a twenty (20) year period, with semi-annual payments due on the first day of October and April of each year beginning on April 1, 2006. A balloon payment of the entire remaining principal balance was due on or before October 1, 2008. The certificate has been amended to postpone the balloon payment until October 1, 2010. The interest rate has been increased from 8.75% to 10% starting October 1, 2008, and a \$250 amendment fee has been paid.

LEGAL DESCRIPTION OF SALE PARCEL:

Township 43 South, Range 2 East, SLB&M

Sections 13 and 14: All of Lot 1 of Shelter Cove Subdivision, as recorded at the office of the Kane County Recorder.

Containing 2.14 acres, more or less.

Upon recommendation of Alexa Wilson, the Director approved this amendment.

AMENDMENT OF CERTIFICATE OF SALE (PS 8031)

CERTIFICATE OF SALE NO. 25701 HAS BEEN AMENDED AS FOLLOWS:

CERTIFICATE OF SALE NO.:	25701
PATENT NO.:	TLA-Financed
PROJECT:	Shelter Cove Residential Subdivision in Big Water, UT
PROJECT MANAGER:	Brent Bluth
PROJECT CODE:	BGWAT 02 003
FUND:	School
CERTIFICATE/SALE DATE:	September 30, 2005
AMENDMENT DATE	October 3, 2008
SALE PRICE:	\$42,000.00

BUYER(S):

KYRA HAYCOCK
307 Painted Hills Drive
Ivins, UT 84738

FINANCIAL INFORMATION:

The Trust Lands Administration has financed an unpaid balance of \$31,500. This balance has been amortized annually over a twenty (20) year period, with semi-annual payments due on the first day of October and April of each year beginning on April 1, 2006. A balloon payment of the entire remaining principal balance was due on or before October 1, 2008. The certificate has been amended to postpone the balloon payment until October 1, 2010. The interest rate has been increased from 8.75% to 10% starting October 1, 2008, and a \$250 amendment fee has been paid.

LEGAL DESCRIPTION OF SALE PARCEL:

Township 43 South, Range 2 East, SLB&M

Sections 13 and 14: All of Lot 19 of Shelter Cove Subdivision, as recorded at the office of the Kane County Recorder.

Containing 1.29 acres, more or less.

Upon recommendation of Alexa Wilson, the Director approved this amendment.

AMENDMENT OF CERTIFICATE OF SALE (PS 8014)

CERTIFICATE OF SALE NO. 25684 HAS BEEN AMENDED AS FOLLOWS:

CERTIFICATE OF SALE NO.:	25684
PATENT NO.:	TLA-Financed
PROJECT:	Shelter Cove Residential Subdivision in Big Water, UT
PROJECT MANAGER:	Brent Bluth
PROJECT CODE:	BGWAT 02 003
FUND:	School
CERTIFICATE/SALE DATE:	September 15, 2005
AMENDMENT DATE	October 7, 2008
SALE PRICE:	\$42,000.00

BUYER(S):

D. W. NORTHERN ENTERPRISES
645 East Mt. Elden Lookout Road
Flagstaff, AZ 86001

FINANCIAL INFORMATION:

The Trust Lands Administration has financed an unpaid balance of \$31,500. This balance has been amortized annually over a twenty (20) year period, with semi-annual payments due on the first day of October and April of each year beginning on April 1, 2006. A balloon payment of the entire remaining principal balance was due on or before October 1, 2008. The certificate has been amended to postpone the balloon payment until October 1, 2010. The interest rate has been increased from 8.75% to 10% starting October 1, 2008, and a \$250 amendment fee has been paid.

LEGAL DESCRIPTION OF SALE PARCEL:

Township 43 South, Range 2 East, SLB&M

Section 14: All of Lot 2 of Shelter Cove Subdivision, as recorded at the office of the Kane County Recorder.

Containing 1.64 acres, more or less.

Upon recommendation of Alexa Wilson, the Director approved this amendment.

AMENDMENT OF CERTIFICATE OF SALE (PS 8025)

CERTIFICATE OF SALE NO. 25695 HAS BEEN AMENDED AS FOLLOWS:

CERTIFICATE OF SALE NO.: 25695
PATENT NO.: TLA-Financed
PROJECT: Shelter Cove Residential Subdivision in Big Water, UT
PROJECT MANAGER: Brent Bluth
PROJECT CODE: BGWAT 02 003
FUND: School
CERTIFICATE/SALE DATE: September 15, 2005
AMENDMENT DATE: October 7, 2008
SALE PRICE: \$41,000.00

BUYER(S):

D. W. NORTHERN ENTERPRISES
645 East Mt. Elden Lookout Road
Flagstaff, AZ 86001

FINANCIAL INFORMATION:

The Trust Lands Administration has financed an unpaid balance of \$30,750. This balance has been amortized annually over a twenty (20) year period, with semi-annual payments due on the first day of October and April of each year beginning on April 1, 2006. A balloon payment of the entire remaining principal balance was due on or before October 1, 2008. The certificate has been amended to postpone the balloon payment until October 1, 2010. The interest rate has been increased from 8.75% to 10% starting October 1, 2008, and a \$250 amendment fee has been paid.

LEGAL DESCRIPTION OF SALE PARCEL:

Township 43 South, Range 2 East, SLB&M

Sections 13 and 14: All of Lot 13 of Shelter Cove Subdivision, as recorded at the office of the Kane County Recorder.

Containing 1.31 acres, more or less.

Upon recommendation of Alexa Wilson, the Director approved this amendment.

PROJECT DESIGNATION - DEVL 890

THE FOLLOWING FINDING IS MADE PURSUANT TO R850-140, WHICH ALLOWS THE DIRECTOR TO DESIGNATE DEVELOPMENT PROPERTIES WHEN CERTAIN CRITERIA ARE SATISFIED.

Property: IPP Block East
Millard County

Location: Township 15 South, Range 6 West, SLB&M
All of Sections 20 through 36 and the E2, SE4SW4 of Section 19

Township 16 South, Range 6 West, SLB&M
All of Section 2

Acreage: 11,999.22 acres, more or less.

Fund: School

Approved by Douglas O. Buchi on October 8, 2008.

PROJECT DESIGNATION - DEVL 890 (CONTINUED)

This property is suitable for designation as a development property pursuant to R850-140 for the following reasons:

1. This property is located in Millard County, and is of a character particularly suited for large scale industrial development.
2. Preliminary analysis by the Agency has determined that development is appropriate and constitutes the probable highest and best use of this property.
3. Real estate market conditions indicate that development is timely and in the best interest of the Trust.

This item was submitted by Alexa Wilson for record-keeping purposes.

LEGAL ACTIONS

ISSUANCE OF QUIT CLAIM DEED AND ASSIGNMENT OF WATER RIGHTS

Water rights were sold in conjunction with the property under Certificate of Sale Number 26186. On February 22, 2005, a quit claim deed was signed by Purchasers as security in the event of a default on the part of Purchasers. A copy of said quit claim deed was forwarded to Purchasers. On March 25, 2005, Purchasers mistakenly recorded their copy of said quit claim deed with the Sevier County Recorder. On February 20, 2007, a Ratification of Certificate of Sale was completed by SITLA correcting the improper recordation of the quit claim deed. The issue of land ownership was settled by filing the Ratification; however, to fully address the ownership of water rights, it was necessary to issue a Quit Claim Deed and Assignment of Water Rights. On September 8, 2008, SITLA issued a Quit Claim Deed and Assignment of Water Rights for the below described water rights. This deed is effective as of February 22, 2005, the date of the sale.

PRE SALE NO.: 8060

CERTIFICATE OF SALE NO.: 26186 (Certificate has been paid in full)

SALE DATE: February 22, 2005

PATENT NO.: 19936

PATENT DATE: June 16, 2006

QUIT CLAIM DEED NO.: 01371

ISSUED TO:

Chet Thompson and Lenita Thompson
47 South Main Street
Richfield, UT 84701

WATER RIGHT DESCRIPTION:

(0.25) acre foot of water, to be segregated from Water Right No. 63-4391 (a27320), more particularly described as follows:

.25 acre/feet of water out of Water Right No. 63-4391 (a27320), for an underground well from a point of diversion S 1980 feet and W 330 feet from NE corner of Section 11, Township 26 South, Range 2 West, SLB&M.

COUNTY: Sevier

FUND: Institution for the Blind

This item was submitted by Ms. Carney for record-keeping purposes.

AUDITING ACTIONS

ERROR OF INTEREST ASSESSMENT – QUESTAR EXPLORATION AND PRODUCTION COMPANY

An interest assessment in the amount of \$1,341.38, dated September 15, 2008, was sent to Questar Exploration and Production Company covering several of their leases. Questar reported processed gas and volume as measured at the wellhead. The Minerals Management Service (“MMS”) conducted an audit and requested that Questar report a smaller volume of gas as measured at the tailgate of the processing plant, along with the associated liquids. Questar changed their method of reporting to both SITLA and the MMS, with no change in the amount owing, but our Business System does not realize that the now reported liquids are one part of an amended entry and not previously unreported volumes.

Upon recommendation of Mr. Merritt Dunn, the Director approved waiving the interest assessment in the amount of \$1,341.38 as noted above.

ACTIONS CONTAINING FEE WAIVERS

NONE

TRUST ACCOUNTING ACTIONS

CANCELED SPECIAL USE LEASE AGREEMENT

The following special use lease agreement was not paid on or before the cancellation date of 9/28/2008. A certified notice was mailed.

<u>LEASE #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
SULA 1034	3 Points Media – Salt Lake City, LLC	SCH	UTAH	TELE

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed special use lease for non-payment.

PAID CERTIFICATES OF SALE

<u>CERT #</u>	<u>NAME</u>	<u>BENE</u>	<u>DATE PAID</u>
C 25663	Dean, Leslie	SCH	9/2/2008

INTEREST RATES

Following are the current and past year prime rates:

CURRENT YEAR:	5.00%
ONE YEAR AGO:	7.75%